

## **REMARKS**

Reconsideration of this application as amended is respectfully requested.

Claims 1-30 are pending. Claims 1, 3, 15, 21, 25, 28 and 29 have been amended. Support for the amendments is found in the specification, the drawings, and in the claims as originally filed. Applicant submits that the amendments do not add new matter.

### **Rejections Under 35 U.S.C. § 101**

Claims 1-24 were rejected under U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Claims have been amended to overcome the Examiner's rejection under 35 U.S.C. § 101. Applicant respectfully requests the withdrawal of the rejection under 35 U.S.C. § 101.

### **Rejections Under 35 U.S.C. § 102(e)**

Claims 1-30 were rejected under 35 U.S.C. § 102(e) as being anticipated by Ausubel, (U.S. Patent No. 6,026,383, hereinafter "Ausubel").

Ausubel describes a system for conducting an auction, in which the auctioneer determines a starting price and announces it to the bidders. Each bidder responds with a bid indicating how many objects each wishes to purchase at the current price. If the total number of objects desired by all the bidders is greater than the number of objects which are available, the auctioneer determines whether any of the objects should be assigned to any bidders in this round. This is done by determining for each bidder, sequentially, whether the sum of the bids of all the other bidders is less than the number of objects available. Those objects are then assigned to that bidder, obligating that bidder to purchase them at the price standing at that time. If any objects remain available, the auctioneer announces a new price and the auction continues.

Contrary to the presently claimed invention, Ausubel does not teach or suggest limiting the participation of bidders in a next auction round based on a specific

occurrence in the current auction round. The presently claimed invention, in contrast, discloses creating a rule for a next auction round based on user input, where the rule limits participation of bidders in the next auction round based on an occurrence in the current auction round. Hence, Ausubel lacks the pertinent features of the present invention that are included in the following language of claim 1:

creating a rule for a second auction round based on user input, the rule limiting participation of bidders in the second auction round based on an occurrence in the first auction round;  
conducting a first auction round; and  
conducting the second auction round in accordance with an application of the rule to [[an]] the occurrence in the first auction round.

Similar language is included in claims 3, 25, 28 and 29. Accordingly, the present invention as claimed in claims 1, 3, 25, 28 and 29, and their corresponding dependent claims, is patentable over Ausubel.

With respect to claim 15, Ausubel does not teach or suggest conducting a second auction round including only bidders that were not awarded a contract in the first auction round. Thus, the present invention as claimed in claim 15 and its corresponding dependent claims is patentable over Ausubel.

With respect to claim 21, Ausubel does not teach or suggest conducting a second auction round that excludes non-leading bidders from the first auction round. Thus, the present invention as claimed in claim 21 and its corresponding dependent claims is patentable over Ausubel.

In view of the above, Applicant respectfully requests the withdrawal of the rejection under 35 U.S.C. §102(e). Applicant furthermore submits that all pending claims are in condition for allowance, which action is earnestly solicited.

**Deposit Account Authorization**

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Marina Portnova at (408) 720-8300.

Respectfully submitted,

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Date: May 16, 2005

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